

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 — 1 7

2. STATE:

Maryland

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID) Medicaid

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

November 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ (1,044,784)

b. FFY 2005 \$ (1,229,480)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1A, Page 22-B

Attachment 4.19A&B, Page 13

Attachment 3.1A, page 29C-14

Attachment 3.1A, page 29C-15

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 3.1A, Page 22B (91-16)

Attachment 4.19A&B, Page 22B (86-10)

Attachment 3.1A, Page 22C (84-19)  
will be blank

10. SUBJECT OF AMENDMENT:

Per diem rate for medical day care services is reduced to equal rate paid during State  
Fiscal Year 2003, and indexing method for subsequent fiscal periods is specified.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Susan J. Tucker, Executive Director  
Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Nelson J. Sabatini*

13. TYPED NAME:

Nelson J. Sabatini

14. TITLE: Secretary, Department of Health and  
Mental Hygiene

15. DATE SUBMITTED:

12/24/03

16. RETURN TO:

Susan J. Tucker  
Executive Director  
OHS - DHMH  
201 W. Preston St., Rm. 124  
Baltimore, MD 21201

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

December 29, 2003

18. DATE APPROVED:

MAR 15 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

November 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Mary T. McSorley

22. TITLE: Associate Regional Administrator  
Division of Medicaid and Children's Health

23. REMARKS:

- (2) Payments to case management providers will be on a monthly basis and include all actual personal care cases under management during the period specified. Payments are according to the fee schedule in effect.
- m. Medical Day Care Services – Payment for medical day care services shall be on a per diem basis. The rate for the period November 1, 2003 through June 30, 2004 is established at \$64.66 per day. Effective July 1, 2004, and at the start of each State fiscal year thereafter, the per diem rate shall be adjusted by the percentage of the annual increase or decrease in the March Consumer Price Index for All Urban Consumers, medical care component, Washington-Baltimore. The maximum annual increase shall be 5 percent.
- n. Hearing Aid Services – Hearing aids and accessories are reimbursed at the provider's acquisition cost which is defined as the actual cost of a product to a provider before the deduction of discounts and allowances. For replacement materials, the maximum reimbursement is acquisition cost plus 50 percent. All professional services are reimbursed according to the fee schedule or the provider's usual and customary charge, whichever is less.
- o. Oxygen and Related Respiratory Equipment.
  - (1) For covered services at the lower of:
    - (a) The provider's customary charge to the general public;
    - (b) The Department's fee schedule.
  - (2) For repairs to purchased respiratory equipment in accordance with the following:
    - (a) Wholesale cost plus 40 percent to the provider for all materials; and
    - (b) Reasonable charges for labor, not to exceed the usual and customary charges for similar services in the provider's area; or

TN 04-17

Supersedes TN 86-10

Approval Date MAR 15 2004

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STATE PLAN FOR MEDICAL ASSISTANCE  
UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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PROGRAM

13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.

d. Rehabilitative services

IV. Adult medical day care services.

A. Adult medical day care services are covered for Medicaid recipients age 16 or older who require the level of services provided in a nursing facility. Participants must attend for a minimum of 4 hours in order for the provider to be paid for a day of care.

B. Covered services include medical services, nursing, physical and occupational therapy, personal care, meals/nutrition services, social work services, activity programs, and transportation.

C. Providers of medical day care services must be licensed by the Department as adult day care centers. Providers must have a full time registered nurse, full or part time social worker, full or part time activity coordinator, personal care attendants, staff physician, food service, transportation service, and appropriate rehabilitation staff.

LIMITATIONS

1. Services to recipients who are not certified by the State's utilization control agent as needing nursing facility services.

2. Services not authorized on a plan of care by a licensed physician.

3. Services for which payment is made directly to a provider other than a medical day care facility.

4. Billing time limitations:

a. The Department may not reimburse claims received by the Program for payment more than 9 months after the date of service.

b. Medicare claims. For any claim initially submitted to Medicare and for which services have been:

(i) Approved, requests for reimbursement shall be submitted and received by the Program within 9 months of the date of service 120 days from the Medicare remittance date, as shown on the Explanation of Medicare Benefits, whichever is later; and

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Adult medical day care services  
(continued)

(ii) Denied, requests for reimbursement shall be submitted and received by the Program within 9 months of the date of service or 120 days from the Medicare remittance date, as shown on the Explanation of Medicare Benefits, whichever is later.

c. A claim for services provided on different dates and submitted on a single form shall be paid only if it is received by the Program within 9 months of the earliest date of service.

d. A claim which is rejected for payment due to improper completion or incomplete information shall be paid only if it is properly completed, resubmitted, and received by the Program within the original 9-month period, or within 60 days of rejection, whichever is later.

e. Claims submitted after the time limitations because of retroactive eligibility determination shall be considered for payment if received by the Program within 9 months of the date on which eligibility was determined.

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PROGRAM	LIMITATIONS
9. Clinic Services  b. Medical Day Care Services	<ol style="list-style-type: none"><li>1. Services to recipients who are not elderly or medically handicapped adults in accordance with Article 43, sections 717A-717J of the Annotated Code of Maryland.</li><li>2. Services to recipients who are not certified by the State's utilization control agent as needing nursing facility services.</li><li>3. Services not authorized on a plan of care by a licensed physician.</li><li>4. Services for which payment is made directly to a provider other than a medical day care facility.</li></ol>

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